

MERCY MARICOPA INTEGRATED CARE
STATEMENT OF FINANCIAL POSITION
AS OF: December 31, 2015

ASSETS

| | | |
|----------------------------------|--|-------------|
| <u>CURRENT ASSETS</u> | | |
| 101 | Cash (Disclose on Schedule A) | 216,358,740 |
| 102 | Current Investments | - |
| 103 | Accounts Receivable (net) (Disclose on Schedule A) | 16,824,241 |
| 104 | Notes Receivable (current portion) | - |
| 105 | Prepaid Expenses | 1,194,324 |
| 106 | Other Current Assets (Disclose on Schedule A) | - |
| 107 | Total Current Assets | 234,377,305 |
| <u>NON-CURRENT ASSETS</u> | | |
| 108 | Land | - |
| 109 | Building | - |
| 110 | Leasehold Improvements | - |
| 111 | Furniture and Equipment | 3,845,414 |
| 112 | Vehicles | - |
| 113 | Total Property and Equipment | 3,845,414 |
| 114 | Less: Accumulated Depreciation | 1,345,895 |
| 115 | Net Property and Equipment | 2,499,519 |
| 116 | Notes Receivable (net of current portion) | - |
| 117 | Performance Bond (Disclose on Schedule A) | - |
| 118 | Long Term Investments | 518,393 * |
| 119 | Deposits | - |
| 120 | Other Noncurrent Assets (Disclose on Schedule A) | - |
| 121 | Total Noncurrent Assets | 3,017,912 |
| 122 | TOTAL ASSETS | 237,395,217 |

LIABILITIES AND NET ASSETS/EQUITY

| | | |
|---------------------------------------|---|---------------|
| <u>CURRENT LIABILITIES</u> | | |
| 201 | Incurred But Not Reported Claims (Disclose on Sch. A) | 49,365,598 ** |
| 202 | Reported But Unpaid Claims | 5,869,041 ** |
| 203 | Payable to ADHS (Disclose on Schedule A) | 25,934,845 |
| 204 | Payable to Providers | 21,419,690 |
| 205 | Trade Accounts Payable | 675 |
| 206 | Accrued Salaries and Benefits | - |
| 207 | Long-term Debt (current portion) | - |
| 208 | Deferred Revenue (Disclose on Schedule A) | 553 |
| 209 | Risk Pool Payable | - |
| 210 | Other Current Liabilities (Disclose on Schedule A) | 3,310,624 |
| 211 | Total Current Liabilities | 105,901,026 |
| <u>NON-CURRENT LIABILITIES</u> | | |
| 212 | Long-term debt (net of current portion) | - |
| 213 | Loss Contingencies (Disclose on Schedule A) | - |
| 214 | Other Noncurrent Liabilities (Disclose on Schedule A) | 15,230,961 |
| 215 | Total Noncurrent Liabilities | 15,230,961 |
| 216 | TOTAL LIABILITIES | 121,131,987 |
| 217 | NET ASSETS/EQUITY | |
| | Unrestricted Net Assets | 116,263,230 |
| | Restricted Net Assets (Disclose on Schedule A) | - |
| 218 | TOTAL LIABILITIES AND NET ASSETS/EQUITY | 237,395,217 |

* Restricted Investment required to remain in trust by the State of Arizona, Dept of Ins. for the duration of the Organization's contract with ADHS. This is related to the Medicare business.

** Balance includes \$2,272,155 for MMA IBNR/RBUC Reserve balance.

MERCY MARICOPA INTEGRATED CARE
STATEMENT OF FINANCIAL POSITION
AS OF:
Schedule A Disclosure

December 31, 2015

ASSETS:

Cash

| | |
|--------------|-------------|
| Unrestricted | 216,358,740 |
| Restricted | |
| Total Cash | 216,358,740 |

Accounts Receivable Detail of Line 103)

| ADHS | Program ID | Category ID | |
|--|-----------------------------|-------------------------|-------------|
| Current Year | | | |
| | TXIX/XXI SMI Integrated | TXIX SMI Int | 4,669,151 |
| | TXIX/XXI SMI Non Integrated | TXIX SMI NonInt | (311,715) |
| | TXIX/XXI GMH/SA Non Dual | TXIX GMH/SA | (4,963,766) |
| | TXIX/XXI CMDP Child | CMDP Child | (21,990) |
| | TXIX/XXI Non CMDP Child | TXIX/TXXI Child | (13,656) |
| | MHBG SMI | CMHS SMI | 189,021 |
| | MHBG SED | CMHS SED | 120,514 |
| | SABG | SABG - Pregnant Women | 737,499 |
| | SABG | SABG - General Services | 4,318,869 |
| | SABG | SABG - Prevention | 1,101,212 |
| | SABG | SABG - Crisis | (1,364,578) |
| | County | NT County | 4,957,065 |
| | SB1616 Housing | SB1616 | 95,781 |
| | NTXIX/XXI Other | City of Phoenix - LARC | 50,000 |
| | NTXIX/XXI SMI | NT SMI | 211,719 |
| Prior year | NTXIX/XXI SMI | NT SMI | 610,752 |
| | NTXIX/XXI Crisis | NT Crisis | 650,000 |
| Non-ADHS &/or Unrelated Business | | | |
| | Program ID | Category ID | |
| Current Year | | | |
| | FFS Claims Adjustments | | 787,087 |
| | SAPT Prevention Grant | | 5,560 |
| | Part D Recon - CMS | | 808,515 |
| | Due from Aetna | | 1,293,352 |
| | CVS Rebate Receivable | | 2,882,900 |
| | Due from Provider | Lifewell | 10,950 |
| Prior Year | | | |
| Total Accounts Receivable | | | 16,824,241 |
| Other Current Assets (Detail of Line 106) | | | |
| Total Other Current Assets | | | - |
| Other Noncurrent Assets (Detail of Line 120) | | | |
| Total Other Noncurrent Assets | | | - |

Payables to ADHS - Other* Category

Disclose items recorded as "Other" in the category for Payable to ADHS Section

Other - Payable to ADHS is for recoupment from Marc Center for 7/1/13-6/30/14

LIABILITIES:

IBNR Claims Estimate

| | | |
|--------------|------|------------|
| Current Year | | 47,322,287 |
| MMA | IBNR | 2,043,311 |

| | |
|------------|------------|
| Total IBNR | 49,365,598 |
|------------|------------|

Payable to ADHS (Detail of Line 203)

| | Program ID | Category ID | |
|-----------------------|-------------------------------|----------------------------|------------|
| Current Year | | | |
| | NTXIX/XXI SMI | General Fund Excess Profit | 1,114,004 |
| | NTXIX/XXI Crisis | General Fund Excess Profit | 24,404 |
| | Supported Housing for TXIX SM | General Fund Excess Profit | 4,649 |
| | SABG | Profit Limit | 279,506 |
| | MHBG SED | Profit Limit | 637,219 |
| | TXIX/XXI SMI Integrated | Profit Limit | 4,202,724 |
| Prior Year | NTXIX/XXI Crisis | General Fund Excess Profit | 77,849 |
| Jun14-Jun15 | Supported Housing for TXIX SM | General Fund Excess Profit | 6,365 |
| | NTXIX/XXI SMI | General Fund Excess Profit | 262,528 |
| Apr14-Sep15 | TXIX/XXI SMI Integrated | Profit Limit | 19,325,597 |
| Total Payable to ADHS | | | 25,934,845 |

Deferred Revenue from: (Detail of Line 208)

| ADHS | | Category ID | |
|----------------------------------|----------------|------------------|-----|
| Prior Year | SB1616 Housing | Deferred Revenue | 553 |
| Non-ADHS &/or Unrelated Business | | | |
| Total Deferred Revenue | | | 553 |

Other Current Liabilities (Detail of Line 210)

| | | |
|---------------------------------|------|-----------|
| Community Reinvestment | FY16 | 386,864 |
| Community Reinvestment | FY15 | 2,614,928 |
| Due to Other | | 232,465 |
| Accrued Other | | 76,367 |
| Total Other Current Liabilities | | 3,310,624 |

Loss Contingencies (Detail of Line 213)

| | |
|-----------------------------|---|
| Identify Loss Contingencies | - |
| Total Loss Contingencies | - |

Other Noncurrent Liabilities (Detail of Line 214)

| | |
|------------------------------------|------------|
| Due to District | 15,230,961 |
| Total Other Noncurrent Liabilities | 15,230,961 |

Restricted Net Assets (Detail of Line 217)

| | |
|--------------------------------|---|
| Identify Restricted Net Assets | - |
| Total Restricted Net Assets | - |

MERCY MARICOPA INTEGRATED CARE
STATEMENT OF FINANCIAL POSITION
PRIOR PERIOD ADJUSTMENTS
AS OF:

December 31, 2015

ASSETS

| | Amount Related to Prior Contract Year 2015 | Amount Related to Prior Contract Year 2014 | Amount Related to Prior Contract Year 2013 | Total Adjustment |
|---|--|--|--|---------------------|
| <u>CURRENT ASSETS</u> | | | | |
| 101 Cash | 0 | 0 | 0 | 0 |
| 102 Current Investments | 0 | 0 | 0 | 0 |
| 103 Accounts Receivable (net) | 0 | 0 | 0 | 0 |
| 104 Notes Receivable (current portion) | 0 | 0 | 0 | 0 |
| 105 Prepaid Expenses | 0 | 0 | 0 | 0 |
| 106 Other Current Assets | 0 | 0 | 0 | 0 |
| 107 Total Current Assets | 0 | 0 | 0 | 0 |
| <u>NON-CURRENT ASSETS</u> | | | | |
| 108 Land | 0 | 0 | 0 | 0 |
| 109 Building | 0 | 0 | 0 | 0 |
| 110 Leasehold Improvements | 0 | 0 | 0 | 0 |
| 111 Furniture and Equipment | 0 | 0 | 0 | 0 |
| 112 Vehicles | 0 | 0 | 0 | 0 |
| 113 Total Property and Equipment | 0 | 0 | 0 | 0 |
| 114 Less: Accumulated Depreciation | 0 | 0 | 0 | 0 |
| 115 Net Property and Equipment | 0 | 0 | 0 | 0 |
| 116 Notes Receivable (net of current portion) | | | | |
| 117 Performance Bond | | | | |
| 118 Long Term Investments | 0 | 0 | 0 | 0 |
| 119 Deposits | 0 | 0 | 0 | 0 |
| 120 Other Noncurrent Assets | 0 | 0 | 0 | 0 |
| 121 Total Noncurrent Assets | 0 | 0 | 0 | 0 |
| 122 TOTAL ASSETS | 0 | 0 | 0 | 0 |

LIABILITIES AND NET ASSETS/EQUITY

| | | | | |
|---|---|---|---|---|
| <u>CURRENT LIABILITIES</u> | | | | |
| 201 Incurred But Not Reported Claims | 0 | 0 | 0 | 0 |
| 202 Reported But Unpaid Claims | 0 | 0 | 0 | 0 |
| 203 Payable to ADHS | 0 | 0 | 0 | 0 |
| 204 Payable to Providers | 0 | 0 | 0 | 0 |
| 205 Trade Accounts Payable | 0 | 0 | 0 | 0 |
| 206 Accrued Salaries and Benefits | 0 | 0 | 0 | 0 |
| 207 Long-term Debt (current portion) | 0 | 0 | 0 | 0 |
| 208 Deferred Revenue | 0 | 0 | 0 | 0 |
| 209 Risk Pool Payable | 0 | 0 | 0 | 0 |
| 210 Other Current Liabilities | 0 | 0 | 0 | 0 |
| 211 Total Current Liabilities | 0 | 0 | 0 | 0 |
| <u>NON-CURRENT LIABILITIES</u> | | | | |
| 212 Long-term debt (net of current portion) | 0 | 0 | 0 | 0 |
| 213 Loss Contingencies | 0 | 0 | 0 | 0 |
| 214 Other Noncurrent Liabilities | 0 | 0 | 0 | 0 |
| 215 Total Noncurrent Liabilities | 0 | 0 | 0 | 0 |
| 216 TOTAL LIABILITIES | 0 | 0 | 0 | 0 |
| 217 NET ASSETS/EQUITY | | | | |
| Unrestricted Net Assets | 0 | 0 | 0 | 0 |
| Restricted Net Assets | 0 | 0 | 0 | 0 |
| 218 TOTAL LIABILITIES AND NET ASSETS/EQUITY | 0 | 0 | 0 | 0 |

MERCY MARICOPA INTEGRATED CARE
STATEMENT OF CHANGES IN NET ASSETS / EQUITY
AS OF : December 31, 2015

| | | | Initial Capital | Additional Capital | Net Assets / Retained Earnings | Unrealized Gains (Losses) on Securities | Total |
|--|--------------------------|--------------------------|-----------------|-----------------------|--------------------------------------|---|-------------|
| Beginning Balance: | September 30, 2015 | | 32,234,891 | 37,500,000 | 39,907,255 | | 109,642,146 |
| * ADHS Net Surplus / Net Earning for the period ended: | | December 31, 2015 | | - | 7,350,413 | | 7,350,413 |
| * Medicare Net Surplus / Net Earning for the period ended: | | | | | (727,352) | | (727,352) |
| Other Comprehensive Income: | | | | | | | - |
| Unrealized Gains (Losses) on Securities | | | | | | (1,977) | (1,977) *** |
| Dividends Paid | | | | | | | - |
| ** Prior Period Adjustments | | | | | | | - |
| Ending Balance: | December 31, 2015 | | | | | | - |
| | | | 32,234,891 | 37,500,000 | 46,530,316 | (1,977) | 116,263,230 |

* Net of Dividends Paid

** Disclosure of Prior Period Adjustments

*** This is a gain on Restricted Investment required to remain in trust by the State of Arizona, Dept of Insurance for the duration of the Organization's contract with ADHS for the Medicare business.

*DISCLOSE ON SCHEDULE A

| | | TXIX/XXI Non CNDP Child | TXIX/XXI CNDP Child | TXIX/XXI DD Child | TXIX/XXI GMH/SA Non Dual | TXIX/XXI DD Adult | TXIX/XXI SMI Integrated | TXIX/XXI SMI Non Integrated | NTXIX/XXI Crisis | NTXIX/XXI SMI | NTXIX/XXI Other | Supported Housing for TXIX SMI | SB1616 Housing | MHBG SED | MHBG SMI | SABG | Other Federal | County | PASRR/ ADOH | Sub-Total | Mgmt & Gen | ADHS Total | Medicare | Total | |
|-------------------|--|----------------------------|------------------------|----------------------|--------------------------------|----------------------|----------------------------|--------------------------------|------------------|---------------|-----------------|--------------------------------------|----------------|-----------|----------|-----------|---------------|------------|----------------|-------------|------------|-------------|------------|-------------|------------|
| REVENUE | | | | | | | | | | | | | | | | | | | | | | | | | |
| 401 | Revenue Under ADHS Contract | | | | | | | | | | | | | | | | | | | | | | | | |
| a | ADHS Revenue | 37,812,214 | 25,692,955 | 2,999,031 | 60,404,883 | 3,526,235 | 129,172,394 | 3,792,689 | 2,232,134 | 12,471,721 | 50,000 | 548,817 | 82,192 | 864,551 | 567,400 | 4,844,984 | - | 12,519,747 | 7,500 | 297,589,447 | - | 297,589,447 | - | 297,589,447 | |
| b | Reconciliation Settlement/Profit Risk Adjustment | | | | | | (4,202,724) | | 11,791 | (949,369) | | 2,895 | - | (637,219) | - | (279,506) | - | 163,993 | - | (5,890,139) | - | (5,890,139) | - | (5,890,139) | |
| 402 | Specialty & Other Grants* | - | - | - | - | - | - | - | - | - | 12,903 | - | - | - | - | - | 1,472 | - | - | - | 14,376 | - | - | 14,376 | |
| 403 | Interest/Investment Income | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 625 | - | |
| 404 | CMS Revenue | | | | | | | | | | | | | | | | | | | | | | 5,849,196 | 5,849,196 | |
| 490 | TOTAL REVENUE | 37,812,214 | 25,692,955 | 2,999,031 | 60,404,883 | 3,526,235 | 124,969,670 | 3,792,689 | 2,243,925 | 11,522,352 | 62,903 | 551,712 | 82,192 | 227,332 | 567,400 | 4,565,478 | 1,472 | 12,683,740 | 7,500 | 291,713,684 | - | 291,713,684 | 5,849,821 | 297,563,505 | |
| EXPENSES | | | | | | | | | | | | | | | | | | | | | | | | | |
| Service Expenses: | | | | | | | | | | | | | | | | | | | | | | | | | |
| 501 | Treatment Services | | | | | | | | | | | | | | | | | | | | | | | | |
| a | Counseling | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Counseling, Individual | 1,580,909 | 1,344,424 | 22,586 | 2,064,639 | 178,209 | 1,587,633 | 64,002 | 0 | - | - | - | - | (4,900) | 44,031 | 108,606 | - | 13,281 | - | 7,003,421 | - | 7,003,421 | - | 7,003,421 | |
| 2 | Counseling, Family | 1,745,082 | 1,014,503 | 30,476 | 109,298 | 27,140 | 65,309 | 2,507 | - | - | - | - | - | (4,026) | 97 | 25,798 | - | 2,437 | - | 3,018,622 | - | 3,018,622 | - | 3,018,622 | |
| 3 | Counseling, Group | 408,457 | 197,487 | 1,922 | 2,006,031 | 8,601 | 467,133 | 20,440 | 0 | - | - | - | - | (947) | 193,765 | 278,338 | - | 22,083 | - | 3,603,309 | - | 3,603,309 | - | 3,603,309 | |
| b | Assessment, Evaluation and Screening | 2,611,220 | 1,927,606 | 44,309 | 3,284,627 | 445,967 | 1,846,465 | 142,570 | 0 | 347,229 | - | - | - | (14,967) | 63,318 | 172,826 | - | 207,798 | - | 11,078,969 | - | 11,078,969 | - | 11,078,969 | |
| c | Other Professional | 220,193 | 65,826 | 2 | 31,177 | - | 3,152 | 16 | - | - | - | - | - | (1,844) | 353 | 26,526 | - | - | - | 345,403 | - | - | - | 345,403 | |
| d | Total Treatment Services | 6,565,862 | 4,549,847 | 99,295 | 7,495,772 | 659,916 | 3,969,693 | 229,535 | - | 347,229 | - | - | - | (26,684) | 301,564 | 612,094 | - | 245,600 | - | 25,049,724 | - | 25,049,724 | - | 25,049,724 | |
| 502 | Rehabilitation Services | | | | | | | | | | | | | | | | | | | | | | | | |
| a | Living Skills Training | 4,155,795 | 3,149,334 | 290,518 | 383,221 | 90,534 | 4,543,318 | 185,273 | - | 383,027 | - | - | - | (5,340) | 17,000 | 5,504 | - | 36,123 | - | 13,234,308 | - | 13,234,308 | - | 13,234,308 | |
| b | Cognitive Rehabilitation | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| c | Health Promotion | 291,733 | 102,603 | 2,209 | 188,696 | 27,975 | 1,348,891 | 41,743 | - | 232,819 | - | - | - | (1,979) | 7,630 | 7,312 | - | 17,865 | - | 2,267,497 | - | 2,267,497 | - | 2,267,497 | |
| d | Supported Employment Services | 38,898 | 13,787 | 91 | 626,831 | 107,654 | 3,960,483 | 203,408 | - | 882,773 | - | - | - | (532) | 686 | 5,226 | - | 60,794 | - | 5,900,099 | - | - | - | 5,900,099 | |
| e | Total Rehabilitation Services | 4,486,426 | 3,265,723 | 292,817 | 1,198,748 | 226,163 | 9,852,692 | 430,425 | - | 1,498,619 | - | - | - | (7,851) | 25,317 | 18,042 | - | 114,782 | - | 21,401,904 | - | 21,401,904 | - | 21,401,904 | |
| 503 | Medical Services | | | | | | | | | | | | | | | | | | | | | | | | |
| a | Medication Services | - | 3 | - | 1,320,931 | - | 192,847 | 6,592 | - | 1,294 | - | - | - | - | 3,187 | 223,687 | - | 26,416 | - | 1,774,955 | - | 1,774,955 | - | 1,774,955 | |
| b | Medical Management | 1,179,557 | 344,597 | 26,544 | 1,632,820 | 418,242 | 5,634,880 | 171,046 | 0 | 1,027,167 | - | - | - | (3,254) | 12,142 | 108,442 | - | 109,999 | - | 10,662,183 | - | 10,662,183 | - | 10,662,183 | |
| c | Laboratory, Radiology & Medical Imaging | 35,417 | 11,589 | 3,929 | 304,141 | 6,783 | 961,334 | 10,708 | 0 | 28,752 | - | - | - | - | 16,143 | - | - | 70,340 | - | 1,449,138 | - | 1,449,138 | - | 1,449,138 | |
| d | Electro-Convulsive Therapy | - | - | - | 52,551 | - | 176,286 | 6,955 | - | - | - | - | - | - | - | - | - | - | - | 235,792 | - | 235,792 | - | 235,792 | |
| e | Total Medical Services | 1,214,977 | 356,186 | 30,473 | 3,310,444 | 425,025 | 6,965,347 | 195,301 | - | 1,057,213 | - | - | - | (3,254) | 15,328 | 348,272 | - | 206,755 | - | 14,122,068 | - | 14,122,068 | - | 14,122,068 | |
| 504 | Support Services | | | | | | | | | | | | | | | | | | | | | | | | |
| a | Case Management | 6,556,104 | 5,981,534 | 198,724 | 2,890,286 | 533,615 | 12,368,302 | 628,559 | - | 3,164,901 | - | - | - | (28,044) | 197,523 | 142,831 | - | 446,463 | - | 33,080,797 | - | 33,080,797 | 2,025,321 | 35,106,118 | |
| b | Personal Care Services | 7,142 | 3,103 | 847 | 1,294,289 | 27,747 | 4,757,878 | 182,780 | - | 167,457 | - | - | - | (2) | 54,219 | 294,483 | - | 186,049 | - | 6,975,992 | - | 6,975,992 | - | 6,975,992 | |
| c | Family Support | 961,573 | 558,730 | 52,876 | 12,502 | 7,782 | 5,094 | - | - | 6,333 | - | - | - | (3,067) | 3,682 | 2,955 | - | 582 | - | 1,680,661 | - | 1,680,661 | - | 1,680,661 | |
| d | Peer Support | 19,522 | 10,858 | 640 | 261,410 | 32,915 | 1,816,825 | 75,482 | - | 410,276 | - | - | - | (10) | 9,567 | 20,084 | - | 47,042 | - | 2,704,611 | - | 2,704,611 | - | 2,704,611 | |
| e | Home Care Training to Home Care Client | 238,954 | 1,393,788 | 57,889 | 2,511 | - | 113,205 | 1,870 | - | - | - | - | - | - | - | - | - | - | - | 1,808,219 | - | 1,808,219 | - | 1,808,219 | |
| f | Unskilled Respite Care | - | - | - | - | - | - | 625 | - | - | - | - | - | - | 767 | - | - | - | - | 1,111,415 | - | 1,111,415 | - | 1,111,415 | |
| g | Supported Housing* | 787,697 | 232,975 | 5,540 | 21,656 | 179 | 57,301 | 2,256 | - | - | - | - | - | (89) | 1,698 | 810 | - | 1,318,970 | - | 2,952,465 | - | 2,952,465 | - | 2,952,465 | |
| h | Flex Fund Services | - | - | - | - | - | - | - | - | 1,049,303 | - | 508,089 | 76,104 | - | - | - | - | - | - | 41,762 | - | 41,762 | - | 41,762 | |
| i | Transportation | 988,395 | 486,247 | 43,221 | 2,392,969 | 56,856 | 9,908,039 | 272,940 | 0 | 508,743 | - | - | - | (1,189) | 18,433 | 33,113 | - | 245,243 | - | 14,953,011 | - | 14,953,011 | - | 14,953,011 | |
| j | Total Support Services | 9,559,389 | 8,667,236 | 359,738 | 6,875,623 | 659,094 | 29,093,170 | 1,168,982 | - | 5,307,637 | - | 508,089 | 76,104 | (32,402) | 285,121 | 494,275 | - | 2,286,678 | - | 65,308,933 | - | 65,308,933 | 2,025,321 | 67,334,254 | |
| 505 | Crisis Intervention Services | | | | | | | | | | | | | | | | | | | | | | | | |
| a | Crisis Intervention - Mobile | 973,231 | 1,088,881 | 288,922 | 2,702,304 | - | 1,778,494 | - | 854,706 | - | - | - | - | - | - | 47,623 | - | 2,276,985 | - | 10,011,145 | - | 10,011,145 | - | 10,011,145 | |
| b | Crisis Intervention - Stabilization | 308,514 | 131,093 | 34,619 | 5,603,459 | - | 3,256,750 | - | 989,774 | 93,750 | 46,253 | - | - | - | - | 910,633 | - | 2,137,593 | - | 13,512,436 | - | 13,512,436 | - | 13,512,436 | |
| c | Crisis Intervention - Telephone | - | - | - | 386,433 | - | 535,225 | - | 222,037 | - | - | - | - | - | - | - | - | - | - | 1,623,310 | - | 1,623,310 | - | 1,623,310 | |
| d | Total Crisis Intervention Services | 1,281,744 | 1,219,974 | 323,542 | 8,692,196 | - | 5,570,469 | - | 2,066,516 | 93,750 | 46,253 | - | - | - | - | 958,256 | - | 4,894,192 | - | 25,146,891 | - | 25,146,891 | - | 25,146,891 | |
| 506 | Inpatient Services | | | | | | | | | | | | | | | | | | | | | | | | |
| a | Hospital | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Psychiatric (Provider Types 02 & 71) | 4,291,362 | 3,037,576 | 571,532 | 11,810,795 | 213,438 | 12,839,382 | 1,304,534 | 0 | - | - | - | - | - | - | - | - | 1,511,000 | - | 35,579,619 | - | 35,579,619 | - | 35,579,619 | |
| 2 | Detoxification (Provider Types 02 & 71) | 11,640 | 4,943 | 550 | 513,967 | - | 77,786 | 3,671 | 0 | - | - | - | - | - | - | - | - | - | - | 612,557 | - | 612,557 | - | 612,557 | |
| b | Sub acute Facility | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Psychiatric (Provider Types B5 & B6) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 2 | Detoxification (Provider Types B5 & B6) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| c | Residential Treatment Center (RTC) | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Psychiatric - Secure & Non-Secure Provider Types (78,B1,B2,B3) | 64,690 | - | 138,644 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 203,334 | - | 203,334 | - | 203,334 | |
| 2 | Detoxification - Secure & Non-Secure (Provider Types (78,B1,B2,B3) | - | 88 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 88 | - | 88 | - | 88 | |
| d | Inpatient Services, Professional | 277,972 | 129,931 | 27,364 | 1,100,930 | 10,893 | 1,798,131 | 67,404 | 0 | - | - | - | - | - | - | - | - | 59,214 | - | 3,471,839 | - | 3,471,839 | - | 3,471,839 | |
| e | Total Inpatient Services | 4,645,663 | 3,172,538 | 738,091 | 13,425,693 | 224,331 | 14,715,298 | 1,375,608 | - | - | - | - | - | - | - | - | - | - | 1,570,214 | - | 39,867,437 | - | 39,867,437 | - | 39,867,437 |
| 507 | Residential Services | | | | | | | | | | | | | | | | | | | | | | | | |
| a | Behavioral Health Residential Facilities | 556,312 | 1,111,402 | 25,754 | 3,193,316 | 9,268 | 11,290,428 | 342,860 | - | - | - | - | - | - | - | 405,805 | - | 249,638 | - | 17,184,783 | - | 17,184,783 | - | 17,184,783 | |
| b | Reserved for Future Use | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| c | Room and Board | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,829,360 | - | 2,829,360 | - | 2,829,360 | - | 2,829,360 | |
| d | Total Residential Services | 556,312 | 1,111,402 | 25,754 | 3,193,316 | 9,268 | 11,290,428 | 342,860 | - | - | - | - | - | - | - | 405,805 | - | 3,078,998 | - | 20,014,143 | - | 20,014,143 | - | 20,014,143 | |
| 508 | Behavioral Health Day Program | | | | | | | | | | | | | | | | | | | | | | | | |

**MERCY MARICOPA INTEGRATED CARE
STATEMENT OF ACTIVITIES
CONTRACT YEAR TO DATE AS OF:**

December 31, 2015

***DISCLOSE ON SCHEDULE A**

| | | TXIX/XXI | TXIX/XXI | TXIX/XXI | TXIX/XXI | TXIX/XXI | TXIX/XXI SMI | TXIX/XXI SMI | Supported | | | | | | | | | | PASRR/ | | | | | |
|-----|---|-----------------|-------------|----------|-----------------|----------|--------------|----------------|------------------|---------------|-----------------|--------|----------------|----------|-----------|---------|---------------|-------------|--------|------------|------------|------------|-----------|------------|
| | | Non CMAPD Child | CMAPD Child | DD Child | GMH/SA Non Dual | DD Adult | Integrated | Non Integrated | NTXIX/XXI Crisis | NTXIX/XXI SMI | NTXIX/XXI Other | SMI | SB1616 Housing | MHBG SED | MHBG SMI | SABG | Other Federal | County | ADOH | Sub-Total | Mgmt & Gen | ADHS Total | Medicare | Total |
| 601 | Compensation | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 602 | Management Fee | 2,902,277 | 1,973,219 | 230,326 | 4,637,772 | 270,815 | 9,588,854 | 291,279 | 172,390 | 871,204 | 3,840 | 42,414 | 5,845 | 17,083 | 51,161 | 350,394 | - | 962,244 | - | 22,371,116 | - | 22,371,116 | 449,219 | 22,820,335 |
| 603 | Professional & Outside Services | 17,749 | 12,788 | 1,524 | 28,759 | 1,765 | 61,049 | 2,329 | 1,132 | 5,808 | 32 | 278 | 42 | (38) | 367 | 2,091 | - | 7,203 | - | 142,877 | - | 142,877 | 3,347 | 146,224 |
| 604 | Interpreter/Translation Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 605 | Occupancy | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 606 | Depreciation | 23,338 | 16,814 | 2,004 | 37,815 | 2,321 | 80,274 | 3,063 | 1,488 | 7,637 | 42 | 366 | 55 | (51) | 482 | 2,749 | - | 9,472 | - | 187,870 | - | 187,870 | 4,401 | 192,271 |
| 607 | Care Management | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 608 | All Other Operating Expenses not reported above* | 40,573 | 28,911 | 2,786 | 76,114 | 3,703 | 155,290 | 5,399 | 2,399 | 35,042 | 65 | 565 | 85 | (38) | 846 | 4,476 | - | 14,629 | - | 370,845 | - | 370,845 | 10,277 | 381,122 |
| 610 | Subtotal Administrative Expenses | 2,983,937 | 2,031,732 | 236,639 | 4,780,460 | 278,603 | 9,885,467 | 302,070 | 177,409 | 919,691 | 3,979 | 43,624 | 6,026 | 16,957 | 52,856 | 359,711 | - | 993,548 | - | 23,072,708 | - | 23,072,708 | 467,244 | 23,539,952 |
| 650 | Encounter Evaluation Sanctions* | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 651 | Administrative Expenses from Specialty and Other Grants | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 690 | Total Administrative Expense | 2,983,937 | 2,031,732 | 236,639 | 4,780,460 | 278,603 | 9,885,467 | 302,070 | 177,409 | 919,691 | 3,979 | 43,624 | 6,026 | 16,957 | 52,856 | 359,711 | - | 993,548 | - | 23,072,708 | - | 23,072,708 | 467,244 | 23,539,952 |
| 700 | Profit (Loss) from Operations | 2,427,903 | 317,769 | (19,808) | 3,125,777 | 25,814 | 3,639,502 | (761,400) | - | - | 723 | (1) | 62 | 280,566 | (154,666) | 389,089 | 1,472 | (1,459,158) | - | 7,813,644 | - | 7,813,644 | (727,352) | 7,086,292 |
| 710 | Profit (Loss) from Other, Non-ADHS, Non-Operating & Unrelated Business* | - | - | - | - | - | (76,367) | - | - | - | - | - | - | - | - | - | - | - | - | (76,367) | (386,864) | (463,231) | (463,231) | |
| 720 | Net Pre-Tax Profit(Loss) | 2,427,903 | 317,769 | (19,808) | 3,125,777 | 25,814 | 3,563,135 | (761,400) | - | - | 723 | (1) | 62 | 280,566 | (154,666) | 389,089 | 1,472 | (1,459,158) | - | 7,737,277 | (386,864) | 7,350,413 | (727,352) | 6,623,061 |
| 750 | Income Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| a | ADHS Income Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| b | Non ADHS Income Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 799 | Total Income Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 800 | Net After-Tax Profit(Loss) | 2,427,903 | 317,769 | (19,808) | 3,125,777 | 25,814 | 3,563,135 | (761,400) | - | - | 723 | (1) | 62 | 280,566 | (154,666) | 389,089 | 1,472 | (1,459,158) | - | 7,737,277 | (386,864) | 7,350,413 | (727,352) | 6,623,061 |

*Disclose on Schedule A

Physical Health Services

EXPENSES

| | | | |
|-----|--|------------|-----------|
| 550 | Hospitalization | | |
| a | Hospital Inpatient | 4,746,792 | 1,494,308 |
| b | Total Hospitalization | 4,746,792 | 1,494,308 |
| 560 | Medical Compensation | | |
| a | Primary Care Physician | 445,726 | - |
| b | Referral Physician | 1,069,356 | - |
| c | PH FQHC/RHC Services | - | - |
| d | Other Professional | 1,078,393 | - |
| e | Total Medical Compensation | 2,593,475 | - |
| 570 | Other Medical Expenses | | |
| a | Emergency Facility Services | 17,692 | - |
| b | Pharmacy | 6,611,240 | 286,083 |
| c | less: Pharmacy Rebates | - | - |
| d | Lab, X-ray, & Medical Imaging | 548,536 | - |
| e | Outpatient Facility | 3,210,630 | - |
| f | Durable Medical Equipment | - | - |
| g | Dental | 27,584 | - |
| h | Transportation | 7,291 | - |
| i | Nursing Facility, Home Health Care | 96,335 | - |
| j | Physical Therapy | 12,409 | - |
| k | Value Based Purchasing Initiatives Provider Expenses | - | - |
| l | Miscellaneous Medical Expenses | 242,629 | - |
| m | Total Other Medical Expenses | 10,774,346 | 286,083 |
| 580 | Total Physical Health Services Expense | 18,114,613 | 1,780,391 |

December 31, 2015

[illegible]

MERCY MARICOPA INTEGRATED CARE
STATEMENT OF ACTIVITIES
CONTRACT YEAR TO DATE AS OF:
Schedule A Disclosure

December 31, 2015

| | TXIX/XXI Non CMDP Child | TXIX/XXI CMDP Child | TXIX/XXI DD Child | TXIX/XXI GMH/SA Non Dual | TXIX/XXI DD Adult | TXIX/XXI SMI Integrated | TXIX/XXI SMI Non Integrated | NTXIX/XXI Crisis | NTXIX/XXI SMI | NTXIX/XXI Other | Supported Housing for TXIX SMI | SB1616 Housing | MHBG SED | MHBG SMI | SABG | Other Federal | County | PASRR/ ADOH | Sub-Total | Mgmt & Gen | ADHS Total |
|---|-------------------------------|------------------------|----------------------|--------------------------------|----------------------|----------------------------|--------------------------------|---------------------|---------------|--------------------|--------------------------------------|-------------------|----------|----------|------|---------------|--------|----------------|-----------|------------|------------|
| DISCLOSURE OF ADMINISTRATIVE EXPENSES FROM SPECIALTY AND OTHER GRANTS ON LINE 651 Itemization of Items Reported on Line 651 | | | | | | | | | | | | | | | | | | | - | - | 0 |
| Total Adm Expenses from Specialty and Other Grants | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| DISCLOSURE OF OTHER, NON-ADHS, NON-OPERATING AND UNRELATED BUSINESS EXPENSES LINE 710 | | | | | | | | | | | | | | | | | | | | | |
| Community Reinvestment | | | | | | | | | | | | | | | | | | | - | (386,864) | (386,864) |
| Reinsurance Revenue | | | | | | (76,367) | | | | | | | | | | | | | (76,367) | | (76,367) |
| Total Other, Non-ADHS, Non-Operating and Unrelated Business Exp | - | - | - | - | - | (76,367) | - | - | - | - | - | - | - | - | - | - | - | - | (76,367) | (386,864) | (463,231) |

EXPENSES LINE 501C

EXPENSES LINE 570I - MISCELLANEOUS MEDICAL EXP

Expenses for TXIX Child, TXIX CMDP & DD Child, TXXI Child & TXIX GMHSA reported on this line were not for traditional healing or Auricular Acupuncture.
TXIX/XXI SMI Integrated Miscellaneous Medical are Outpatient expenses not specifically identified in any other service expense category.

December 31, 2015

[illegible]

**MERCY MARICOPA INTEGRATED CARE
STATEMENT OF ACTIVITIES
CONTRACT YEAR TO DATE AS OF:**

December 31, 2015

*DISCLOSE ON SCHEDULE A

[illegible]

*Disclose on Schedule A

Physical Health Services

EXPENSES

| | | | |
|-----|--|--|---|
| 550 | Hospitalization | | |
| a | Hospital Inpatient | | - |
| b | Total Hospitalization | | - |
| 560 | Medical Compensation | | |
| a | Primary Care Physician | | - |
| b | Referral Physician | | - |
| c | PH FQHC/RHC Services | | - |
| d | Other Professional | | - |
| e | Total Medical Compensation | | - |
| 570 | Other Medical Expenses | | |
| a | Emergency Facility Services | | - |
| b | Pharmacy | | - |
| c | less: Pharmacy Rebates | | - |
| d | Lab, X-ray, & Medical Imaging | | - |
| e | Outpatient Facility | | - |
| f | Durable Medical Equipment | | - |
| g | Dental | | - |
| h | Transportation | | - |
| i | Nursing Facility, Home Health Care | | - |
| j | Physical Therapy | | - |
| k | Value Based Purchasing Initiatives Provider Expenses | | - |
| l | Miscellaneous Medical Expenses | | - |
| m | Total Other Medical Expenses | | - |
| 580 | Total Physical Health Services Expense | | - |

*DISCLOSE ON SCHEDULE A

| | | NTXIX/XXI Crisis | NTXIX/XXI SMI | NTXIX/XXI Other | Supported Housing for TXIX SMI | SB1616 Housing | MHBG SED | MHBG SMI | SABG | Other Federal | County | PASRR/ ADOH | Total |
|-------------------|--|------------------|---------------|-----------------|--------------------------------------|----------------|-----------|-----------|-----------|---------------|------------|----------------|-------------|
| REVENUE | | | | | | | | | | | | | |
| 401 | Revenue Under ADHS Contract | | | | | | | | | | | | |
| a | ADHS Revenue | 4,464,243 | 24,943,731 | 100,000 | 1,097,634 | 469,226 | 1,729,095 | 1,345,287 | 9,689,911 | - | 25,039,600 | 17,700 | 68,896,426 |
| b | Reconciliation Settlement/Profit Risk Adjustment | (24,404) | (1,114,004) | | (4,649) | | (637,219) | | (279,506) | | | | (2,059,782) |
| 402 | Specialty & Other Grants* | - | - | 43,454 | - | - | - | - | - | 1,472 | - | - | 44,927 |
| 403 | Interest/Investment Income | - | - | - | - | - | - | - | - | - | - | - | - |
| 404 | CMS Revenue | | | | | | | | | | | | |
| 490 | TOTAL REVENUE | 4,439,839 | 23,829,727 | 143,454 | 1,092,985 | 469,226 | 1,091,876 | 1,345,287 | 9,410,405 | 1,472 | 25,039,600 | 17,700 | 66,881,571 |
| EXPENSES | | | | | | | | | | | | | |
| Service Expenses: | | | | | | | | | | | | | |
| 501 | Treatment Services | | | | | | | | | | | | |
| a | Counseling | | | | | | | | | | | | |
| 1 | Counseling, Individual | 0 | - | - | - | - | 37,558 | 101,326 | 264,621 | - | 30,890 | - | 434,395 |
| 2 | Counseling, Family | - | - | - | - | - | 30,863 | 223 | 62,859 | - | 4,287 | - | 98,231 |
| 3 | Counseling, Group | 0 | - | - | - | - | 7,259 | 445,902 | 678,178 | - | 51,663 | - | 1,183,003 |
| b | Assessment, Evaluation and Screening | 0 | 730,668 | - | - | - | 114,732 | 145,712 | 421,097 | - | 521,766 | - | 1,933,975 |
| c | Other Professional | - | - | - | - | - | 14,133 | 812 | 64,631 | - | - | - | 79,577 |
| d | Total Treatment Services | - | 730,668 | - | - | - | 204,545 | 693,975 | 1,491,386 | - | 608,606 | - | 3,729,181 |
| 502 | Rehabilitation Services | | | | | | | | | | | | |
| a | Living Skills Training | - | 806,051 | - | - | - | 40,930 | 39,121 | 13,412 | - | 126,721 | - | 1,026,235 |
| b | Cognitive Rehabilitation | - | - | - | - | - | - | - | - | - | - | - | - |
| c | Health Promotion | - | 489,950 | - | - | - | 15,174 | 17,559 | 17,817 | - | 67,443 | - | 607,942 |
| d | Supported Employment Services | - | 1,852,700 | - | - | - | 4,081 | 1,580 | 12,733 | - | 231,977 | - | 2,103,070 |
| e | Total Rehabilitation Services | - | 3,148,701 | - | - | - | 60,185 | 58,260 | 43,961 | - | 426,141 | - | 3,737,247 |
| 503 | Medical Services | | | | | | | | | | | | |
| a | Medication Services | - | 2,723 | - | - | - | - | 7,333 | 545,020 | - | 61,732 | - | 616,809 |
| b | Medical Management | 0 | 2,161,470 | - | - | - | 24,943 | 27,941 | 264,222 | - | 368,836 | - | 2,847,412 |
| c | Laboratory, Radiology & Medical Imaging | 0 | 57,322 | - | - | - | - | - | 39,334 | - | 112,313 | - | 208,969 |
| d | Electro-Convulsive Therapy | - | - | - | - | - | - | - | - | - | - | - | - |
| e | Total Medical Services | - | 2,221,515 | - | - | - | 24,943 | 35,275 | 848,577 | - | 542,881 | - | 3,673,190 |
| 504 | Support Services | | | | | | | | | | | | |
| a | Case Management | - | 6,660,196 | - | - | - | 214,977 | 454,549 | 348,012 | - | 1,392,751 | - | 9,070,484 |
| b | Personal Care Services | - | 352,400 | - | - | - | 18 | 124,771 | 717,516 | - | 454,136 | - | 1,648,841 |
| c | Family Support | - | 13,328 | - | - | - | 23,510 | 8,473 | 7,200 | - | 2,060 | - | 54,570 |
| d | Peer Support | - | 863,393 | - | - | - | 74 | 22,016 | 48,935 | - | 155,288 | - | 1,089,706 |
| e | Home Care Training to Home Care Client | - | - | - | - | - | - | - | - | - | - | - | - |
| f | Unskilled Respite Care | - | 1,315 | - | - | - | 683 | 3,907 | 1,973 | - | 1,865 | - | 9,743 |
| g | Supported Housing* | - | 2,103,984 | - | 1,007,144 | 436,101 | - | - | - | - | 2,717,553 | - | 6,264,783 |
| h | Flex Fund Services | - | - | - | - | - | - | - | - | - | 90,036 | - | 90,036 |
| i | Transportation | 0 | 1,028,693 | - | - | - | 9,118 | 42,420 | 80,681 | - | 451,590 | - | 1,612,501 |
| j | Total Support Services | - | 11,023,309 | - | 1,007,144 | 436,101 | 248,379 | 656,136 | 1,204,317 | - | 5,265,279 | - | 19,840,664 |
| 505 | Crisis Intervention Services | | | | | | | | | | | | |
| a | Crisis Intervention - Mobile | 1,630,638 | - | - | - | - | - | - | 95,246 | - | 3,703,109 | - | 5,428,993 |
| b | Crisis Intervention - Stabilization | 1,888,326 | 192,181 | 92,506 | - | - | - | - | 1,821,265 | - | 3,293,517 | - | 7,287,795 |
| c | Crisis Intervention - Telephone | 529,472 | - | - | - | - | - | - | - | - | 873,832 | - | 1,403,304 |
| d | Total Crisis Intervention Services | 4,048,435 | 192,181 | 92,506 | - | - | - | - | 1,916,511 | - | 7,870,459 | - | 14,120,092 |

*DISCLOSE ON SCHEDULE A

| | | Supported Housing for TXIX | | | | | | | | PASRR/ ADOH | | Total |
|-----|--|-------------------------------|---------------|-----------------|-----------|----------------|----------|-----------|-----------|----------------|------------|------------|
| | | NTXIX/XXI Crisis | NTXIX/XXI SMI | NTXIX/XXI Other | SMI | SB1616 Housing | MHBG SED | MHBG SMI | SABG | Other Federal | County | |
| 506 | Inpatient Services | | | | | | | | | | | |
| a | Hospital | | | | | | | | | | | |
| 1 | Psychiatric (Provider Types 02 & 71) | 0 | - | - | - | - | - | - | - | - | 2,444,609 | 2,444,609 |
| 2 | Detoxification (Provider Types 02 & 71) | 0 | - | - | - | - | - | - | - | - | - | - |
| b | Sub acute Facility | | | | | | | | | | | |
| 1 | Psychiatric (Provider Types B5 & B6) | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Detoxification (Provider Types B5 & B6) | - | - | - | - | - | - | - | - | - | - | - |
| c | Residential Treatment Center (RTC) | | | | | | | | | | | |
| | Psychiatric - Secure & Non-Secure Provider Types | | | | | | | | | | | |
| 1 | 78,B1,B2,B3) | - | - | - | - | - | - | - | - | - | - | - |
| | Detoxification - Secure & Non-Secure (Provider | | | | | | | | | | | |
| 2 | Types (78,B1,B2,B3) | - | - | - | - | - | - | - | - | - | - | - |
| d | Inpatient Services, Professional | 0 | - | - | - | - | - | - | - | - | 107,240 | 107,240 |
| e | Total Inpatient Services | - | - | - | - | - | - | - | - | - | 2,551,849 | 2,551,849 |
| 507 | Residential Services | | | | | | | | | | | |
| a | Behavioral Health Residential Facilities | - | - | - | - | - | - | - | 988,756 | - | 435,002 | 1,423,758 |
| b | Reserved for Future Use | | | | | | | | | | | - |
| c | Room and Board | - | - | - | - | - | - | - | - | - | 4,575,112 | 4,575,112 |
| d | Total Residential Services | - | - | - | - | - | - | - | 988,756 | - | 5,010,114 | 5,998,870 |
| 508 | Behavioral Health Day Program | | | | | | | | | | | |
| a | Supervised Day Program | - | 398,236 | - | - | - | - | - | - | - | 50,991 | 449,228 |
| b | Therapeutic Day Program | - | 639 | - | - | - | - | 96,377 | 93,730 | - | 1,943 | 192,689 |
| c | Medical Day Program | - | - | - | - | - | - | - | - | - | - | - |
| d | Total Behavioral Health Day Program | - | 398,875 | - | - | - | - | 96,377 | 93,730 | - | 52,935 | 641,917 |
| 509 | Prevention Services | | | | | | | | | | | |
| a | Prevention | - | - | - | - | - | - | - | 1,467,901 | - | - | 1,467,901 |
| b | HIV | - | - | - | - | - | - | - | 223,484 | - | - | 223,484 |
| c | Total Prevention Services | - | - | - | - | - | - | - | 1,691,385 | - | - | 1,691,385 |
| 510 | Pharmacy Expenses | | | | | | | | | | | |
| a | Pharmacy Expense | - | 4,234,093 | - | - | - | - | - | - | - | 1,672,334 | 5,906,427 |
| b | Less Pharmacy Rebate Received | - | 1,510 | - | - | - | - | - | - | - | (17,561) | (16,051) |
| c | Pharmacy Rebate Related Expense | - | - | - | - | - | - | - | - | - | - | - |
| d | Total Pharmacy Expense | - | 4,235,604 | - | - | - | - | - | - | - | 1,654,773 | 5,890,376 |
| 511 | Other ADHS Service Expenses Not Rpt'd Above* | - | 8,644 | - | - | - | - | - | - | - | 57,764 | 84,108 |
| 512 | FQHC/RHC Services | - | - | - | - | - | - | - | - | - | - | - |
| 513 | Subtotal Behavioral Health Service Expenses | 4,048,435 | 21,959,497 | 92,506 | 1,007,144 | 436,101 | 538,052 | 1,540,023 | 8,278,623 | - | 24,040,801 | 61,958,879 |
| 520 | Specialty and Other Grant Expenses* | - | - | 42,498 | - | - | - | - | - | - | - | 42,498 |
| 540 | Total Behavioral Health Services Expense | 4,048,435 | 21,959,497 | 135,004 | 1,007,144 | 436,101 | 538,052 | 1,540,023 | 8,278,623 | - | 24,040,801 | 62,001,377 |
| 580 | Total Physical Health Services Expense | | | | | | | | | | | - |
| 585 | BH and PH Service Expense | 4,048,435 | 21,959,497 | 135,004 | 1,007,144 | 436,101 | 538,052 | 1,540,023 | 8,278,623 | - | 24,040,801 | 62,001,377 |
| 588 | Less: Reinsurance | | | | | | | | | | | - |
| 589 | Less: Third Party Liability | | | | | | | | | | | - |
| 590 | Net Total Service Expense | 4,048,435 | 21,959,497 | 135,004 | 1,007,144 | 436,101 | 538,052 | 1,540,023 | 8,278,623 | - | 24,040,801 | 62,001,377 |
| 599 | Gross Profit/(Loss) from Operations | 391,404 | 1,870,230 | 8,450 | 85,841 | 33,125 | 553,824 | (194,736) | 1,131,782 | 1,472 | 998,799 | 4,880,194 |

*DISCLOSE ON SCHEDULE A

| | | Supported Housing for TXIX | | | | | | | | | PASRR/ ADOH | Total |
|--------------------------|---|-------------------------------|---------------|-----------------|--------|----------------|----------|-----------|---------|---------------|----------------|-----------|
| | | NTXIX/XXI Crisis | NTXIX/XXI SMI | NTXIX/XXI Other | SMI | SB1616 Housing | MHBG SED | MHBG SMI | SABG | Other Federal | County | |
| Administrative Expenses: | | | | | | | | | | | | |
| 601 | Compensation | - | - | - | - | - | - | - | - | - | - | - |
| 602 | Management Fee | 381,896 | 1,797,063 | 7,680 | 83,537 | 33,325 | 83,480 | 107,185 | 722,485 | - | 1,910,276 | 5,126,926 |
| 603 | Professional & Outside Services | 1,413 | 7,377 | 43 | 348 | 83 | 47 | 479 | 2,703 | - | 8,707 | 21,200 |
| 604 | Interpreter/Translation Services | - | - | - | - | - | - | - | - | - | - | - |
| 605 | Occupancy | - | - | - | - | - | - | - | - | - | - | - |
| 606 | Depreciation | 3,105 | 16,869 | 105 | 772 | 341 | 445 | 1,184 | 6,374 | - | 18,325 | 47,519 |
| 607 | Care Management | - | - | - | - | - | - | - | - | - | - | - |
| 608 | All Other Operating Expenses not reported above* | 4,991 | 48,920 | 166 | 1,185 | 323 | 750 | 1,724 | 9,867 | - | 28,148 | 96,075 |
| 610 | Subtotal Administrative Expenses | 391,404 | 1,870,230 | 7,993 | 85,841 | 34,072 | 84,723 | 110,572 | 741,429 | - | 1,965,456 | 5,291,720 |
| 650 | Encounter Evaluation Sanctions* | | | | | | | | | | | - |
| 651 | Administrative Expenses from Specialty and Other Grants* | | | | | | | | | | | - |
| 690 | Total Administrative Expense | 391,404 | 1,870,230 | 7,993 | 85,841 | 34,072 | 84,723 | 110,572 | 741,429 | - | 1,965,456 | 5,291,720 |
| | | | | | | | | | | | | |
| 700 | Profit (Loss) from Operations | - | - | 457 | - | (947) | 469,101 | (305,308) | 390,353 | 1,472 | (966,657) | (411,529) |
| 710 | Profit (Loss) from Other, Non-ADHS, Non-Operating & Unrelated Business* | - | - | - | - | - | - | - | - | - | - | - |
| 720 | Net Pre-Tax Profit/(Loss) | - | - | 457 | - | (947) | 469,101 | (305,308) | 390,353 | 1,472 | (966,657) | (411,529) |
| | | | | | | | | | | | | |
| 750 | Income Tax | | | | | | | | | | | |
| a | ADHS Income Tax | | | | | | | | | | | - |
| b | Non ADHS Income Tax | | | | | | | | | | | - |
| 799 | Total Income Taxes | - | - | - | - | - | - | - | - | - | - | - |
| 800 | Net After-Tax Profit/(Loss) | - | - | 457 | - | (947) | 469,101 | (305,308) | 390,353 | 1,472 | (966,657) | (411,529) |

*Disclose on Schedule A

MERCY MARICOPA INTEGRATED CARE
STATEMENT OF ACTIVITIES
STATE FISCAL YEAR TO DATE AS OF:
Schedule A Disclosure

December 31, 2015

| | NTXIX/XXI Crisis | NTXIX/XXI SMI | NTXIX/XXI Other | Supported Housing for TXIX SMI | SB1616 Housing | MHBG SED | MHBG SMI | SABG | Other Federal | County | PASRR/ ADOH | Total |
|--|---------------------|---------------|--------------------|--------------------------------------|-------------------|----------|----------|-------|---------------|--------|----------------|--------|
| DISCLOSURE OF ALL OTHER OPERATING ON LINE 608 | | | | | | | | | | | | |
| Board Meeting Expenses | 5 | 27 | 0 | 1 | 1 | 0 | 2 | 10 | - | 32 | - | 78 |
| Dues & Filing Fees | 151 | 817 | 5 | 37 | 15 | 22 | 56 | 308 | - | 885 | - | 2,297 |
| Training | 36 | 185 | 1 | 8 | 2 | 11 | 10 | 71 | - | 177 | - | 502 |
| Bank Service Charges | 3 | 16 | 0 | 1 | 0 | 0 | 1 | 6 | - | 18 | - | 45 |
| RFP Expenses | 223 | 386 | 9 | 24 | (186) | 61 | (156) | 68 | - | 350 | - | 779 |
| Office Equip | 432 | 2,250 | 15 | 104 | 22 | 67 | 136 | 841 | - | 2,427 | - | 6,295 |
| Marketing | 11 | 63 | 0 | 3 | 2 | (1) | 6 | 24 | - | 78 | - | 187 |
| Promotions & Sponsorships | 566 | 3,192 | 18 | 147 | 91 | 45 | 253 | 1,205 | - | 3,619 | - | 9,136 |
| Insurance - General Liab | 3,464 | 18,798 | 117 | 860 | 376 | 504 | 1,314 | 7,103 | - | 20,390 | - | 52,924 |
| Interest on Claims | - | 1,461 | - | - | - | - | - | - | - | 173 | - | 1,634 |
| Sanctions | 100 | 21,726 | - | - | - | 40 | 101 | 230 | - | - | - | 22,198 |
| Total All Other Operating | 4,991 | 48,920 | 166 | 1,185 | 323 | 750 | 1,724 | 9,867 | - | 28,148 | - | 96,075 |
| DISCLOSURE OF ENCOUNTER EVALUTION SANCTIONS ON LINE 650 | | | | | | | | | | | | |
| Itemization of Items Reported on Line 650 | | | | | | | | | | | | - |
| Total Encounter Evaluation Sanctions | - | - | - | - | | - | - | - | - | - | - | - |
| DISCLOSURE OF ADMINISTRATIVE EXPENSES FROM SPECIALTY AND OTHER GRANTS ON LINE 651 | | | | | | | | | | | | |
| Itemization of Items Reported on Line 651 | | | | | | | | | | | | - |
| Total Adm Expenses from Specialty and Other Grants | - | - | - | - | | - | - | - | - | - | - | - |
| DISCLOSURE OF OTHER, NON-ADHS, NON-OPERATING AND UNRELATED BUSINESS EXPENSES LINE 710 | | | | | | | | | | | | |
| | | | | | | | | | | | | - |
| Total Other, Non-ADHS, Non-Operating and Unrelated Business Exp | - | - | - | - | | - | - | - | - | - | - | - |

MERCY MARICOPA INTEGRATED CARE
FOOTNOTES TO FINANCIAL STATEMENTS
As of: December 31, 2015

1. ORGANIZATIONAL STRUCTURE

Organization operations - Effective January 22, 2013, Mercy Maricopa Integrated Care (MMIC) was incorporated in the State of Arizona. The initial members of MMIC are Southwest Catholic Health Network Corporation dba Mercy Care Plan (SCHN), Dignity Health (Dignity), Carondelet Health Network (Carondelet), and Maricopa County Special Health Care District (District), collectively the "members". The agreements also provide that SCHN will serve as the managing member of MMIC.

MMIC is located at 4350 E. Cotton Center Blvd, Phoenix AZ. MMIC was formed to provide physical and behavioral health care services on an integrated basis to Medicaid eligible adults with serious mental illness, and to operate as the Regional Behavioral Health Authority (RBHA) to coordinate the delivery of health care services to eligible persons in Maricopa County, Arizona. MMIC was initially funded through a \$30 million capital contribution from SCHN and a \$5M capital contribution from District.

MMIC has entered into a management agreement with Aetna effective May 1, 2013, which automatically renews for successive one-year periods for five years. SCHN also contracts with Aetna separately to provide management services. Under the terms of MMIC's management agreement, MMIC pays a monthly fee to Aetna, as defined in the agreement, to cover the employee salary and benefit costs and general and administrative expenses incurred to operate the organization. Management fees of \$22,400,269 were paid to Aetna as of December 31, 2015. Of this amount, \$29,153 were reported as Sanctions in Administrative fees per ADHS requirement.

MMIC also paid related third parties the following amounts for claims payments; \$1.6M Dignity Health, \$175k Carondelet and \$11.7M for Maricopa Integrated Health System.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation - The accompanying financial statements have been prepared in accordance with FASB ASC 954-205, Health Care Entities – Presentation of Financial Statements. MMIC's financial statements are also presented in accordance with FASB ASC 958-205, Not-for-Profit Entities – Presentation of Financial Statements. Under FASB ASC 958-205, MMIC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. As of December 31, 2015, there were no temporarily restricted or permanently restricted net assets.

Cash and cash equivalents - Cash includes cash deposits in banks and cash equivalents. MMIC considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Amounts at each institution are insured in limited amounts by the Federal Deposit Insurance Corporation (FDIC).

Long Term Investments of \$518,393 are restricted U.S. government securities held by a bank required to remain in trust by the State of Arizona, Department of Insurance for the duration of the contract with ADHS. This is related only to the Medicare Business.

Capitalized software costs - Research and development costs are charged to expense as incurred. However, the costs incurred for the development or purchases of computer software that relate to the implementation of the claims processing system are capitalized when technological feasibility has been established. These capitalized costs are subject to an ongoing assessment of recoverability based on anticipated useful lives and changes in hardware and software technologies. Costs that are capitalized include direct labor and related overhead.

Amortization of capitalized software development costs begins when the product is available for release and installation. Amortization is provided on a straight-line method over periods not exceeding five to seven years. Unamortized capitalized software development costs determined to be in excess of net realizable value of the product is expensed immediately. Capitalized software cost totaled \$3,845,414 at December 31, 2015. Amortization of capitalized software costs began April 1, 2014 when the product was available for release and is being amortized over five years.

Payable to Providers totaling \$21M is due to CVS Invoice accrual of \$10M, Housing accrual of \$.5M and Incentive accruals \$3.4M and Block/Misc Accruals \$7M

IBNR is based on historical experience that is available and reviewed by the actuarial department. In months previous to June 2015, there was no historical experience and IBNR was based on Medical Loss Ratio estimations.

Received But Unpaid Claims - RBUC's are determined by totaling claims received after the final check run. This amount is included in the final IBNR balance. This also includes any Pharmacy Claims received and unpaid at month end.

IBNR Physical Health balance is \$974,187 and Behavioral Health is \$46,348,099
RBUC Physical Health balance is \$5,381,311 and Behavioral Health is \$258,886

Due to District - consists of \$15M payable to Maricopa County Special Health Care District. Under the terms of the membership agreement, any time after three years from the ADHS contract start date, provided that District has paid the promissory note in full, District may require that the Organization purchase the membership interest of District via a put option. The purchase price of District's membership interest shall consist of the initial funding, without interest, and any remaining accrued or deferred distributions (a 15% relative interest). Due to the put option associated with the initial funding, the \$10 million net of the change in net assets attributable to District for District's relative interest is classified as a non-current liability in the accompanying statement of financial position.

Revenue - ADHS/DBHS TXIX/TXXI Capitation revenue is accrued and recognized using the number of eligible clients provided by ADHS multiplied by the approved capitation rates currently being paid, unless the most recent proposed capitation rates were already approved and are awaiting payment. Non-capitated revenue is accrued using 1/12th of the ADHS/DBHS Allocation Schedule.

Service Expenses paid via block payment are allocated to the fund types (TXIX Child, TXIX SMI, etc.) based on the year-to-date block payments. Within a fund type, the allocation by service line is based on the year-to-date encountered claims data. FFS expenses include both paid claims and estimated IBNR. IBNR is based on the historical experience that is available and is reviewed by the actuarial department. Pharmacy expenses are booked to the fund types based on actual pharmacy expenses paid year-to-date. Non-encounterable services (SABG Prevention, SABG HIV, Bridge Subsidy Housing grant) are directly allocated based on actual and estimated expenses incurred year to date.

Administrative Costs defined by ADHS/DBHS include, but are not limited to management service agreement expenses, professional and outside services, insurance, bank fees, etc. These costs are indirect cost as they are incurred for the common benefit of multiple direct program service activities and are grouped according to the nature of the cost. These costs are allocated in accordance with one of the methodologies described below.

Administrative Cost Allocation Methodologies -
A.) Management Service Agreement Cost - Payment is defined by the management service agreement and is specifically identifiable to individual programs.
B.) Other Administrative Costs are allocated to individual programs based upon proportionate service expense.

Management's use of estimates - The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income taxes - MMIC's application for its tax exempt status under Section 501(c)(3) of the Internal Revenue Code has been approved by the Internal Revenue Service.

3. OTHER AMOUNTS -

There are no "other" amounts not detailed in Schedule A Disclosures.

4. PLEDGES, ASSIGNMENTS AND GUARANTEES

MMIC has no pledges, assignments, or collateralized assets. There are also no guaranteed liabilities not disclosed on the balance sheet.

5. PERFORMANCE BONDS

MMIC has the following Surety Bonds and amounts at December 31, 2015

Argonaut - \$26,600,000

Liberty Mutual - \$25,500,000

Westchester Fire - \$20,000,000

6. MATERIAL ADJUSTMENTS

There were no material adjustments

7. INCURRED BUT NOT REPORTED (IBNR) CLAIMS PAYABLE ANALYSIS

IBNR is based on historical experience that is available and reviewed by the actuarial department.

8. CONTINGENT LIABILITIES

In the opinion of management, no legal matters exist that would have a material adverse effect on the financial position of MMIC.

9. EQUITY ACTIVITY - N/A

10. NON-COMPLIANCE WITH FINANCIAL VIABILITY STANDARDS AND PERFORMANCE GUIDELINES

There were General Fund Excess Profits for NT SMI, NT Crisis and TXIX Supported Housing are due to administrative expenses being less than 8%.

The Profit Limit for SABG, MHBG and TXIX SMI is temporary and we expect to be below the Profit Limit in the future as more contracts are finalized and funding is paid out.

11. FLUCTUATIONS IN STATEMENT OF FINANCIAL POSITION ACCOUNTS

Cash - The \$38M net increase in cash is primarily due to NI increase \$22M and decrease in AR (\$12M).

Net AR decreased for ADHS AR - (\$7.5M) NT SMI, (\$5M) TXIX GMH/SA, (\$2.6M) SABG Crisis and (\$.7M) NT Crisis. ADHS AR increased \$4M SABG Gen Svcs and \$1.1M NT County. There was also an decrease of (\$.7M) Part D Recon and (\$1.5M) FFS Claims Adj.

Prepaid expenses increased \$644k for insurance prepaid premiums and block prepayments. Prepaid decreased (\$200k) for monthly amortization of insurance prepaid expenses and bond premiums

IBNR is based historical experience that is available and reviewed by the actuarial department.

RBUC's are determined by totaling claims received after the final check run. This amount is included in the final IBNR balance. This also includes any Rx claims received and unpaid at month end. The RBUC amount decreased as the number of claims decreased.

FY16 Payable to ADHS increased \$4.2M TXIX SMI Int, \$1M NT SMI, \$637k MHBG SED and \$280k for SABG.

Provider Payables - There was an increase of \$.9M for Provider Incentives, \$5.3M for Pending Contracts, \$3.7M increase for CVS Accrual and decrease in block accrual (\$1.3M).

Trade AP increased for accrual of payment.

Other current Liabilities - There was a \$500k increase for Community Reinvestment accrual and \$200k Due from CMS - retro accrual.

Unrestricted Net Assets - Increase in Net Income \$6.2M

12. PHARMACY REBATES

The total year to date pharmacy rebates are 838,141 as of December detailed on line 510b.

13. INTEREST ON LATE CLAIMS

Interest paid on late claims are \$51,534 as of December 31, 2015 and are reported on Statement of Activities - Sched A.

14. SANCTIONS

There were sanctions of \$29,153 as of December 31, 2015 due to timeliness, accuracy and completeness of deliverables. These are reported on line 608 of the Statement of Activities, schedule A.

15. PROVIDER ADVANCES / INCENTIVES

There were no Provider Advances as of December 31, 2015.

Incentives -

As of December 31, 2015 there was a Performance Incentive Accrual of \$233,370, Transition Incentive Accrual of \$408,690 and Crisis Respite accrual of \$50,000 in TXIX SMI Integrated and GMH/SA reported on 511 in the Statement of Activities, Schedule A. The incentives are to be paid out based on various performance measurements.

16. VALUE BASED PURCHASING INITIATIVES -

Maximizing outcome by connecting high need members to value-based providers: We have entered into value-based agreements with a home health provider and Assertive Community Treatment (ACT) team providers that serve members with complex needs.

Increasing Member Access to Providers with Value-based Contracts: We are systematically moving providers away from block purchasing and into new value-based purchasing contracts while providing support and technical assistance to those providers who need to do infrastructure development to support these innovative payment methodologies. Concurrently, we are assisting members to get connected to these providers.

17. REINSURANCE

MMIC has a contract with RGA Reinsurance Company for reinsurance of acute claims. Deductible level is \$500k and co-insurance is 10%. MMIC reviews claims payments to determine claims that are eligible for reinsurance. As of October 31, 2015 there was no reinsurance revenue or receivables recorded.

18. BLOCK GRANTS

SABG Children's expenses SFYTD 16 - \$543,930

SABG Children's expenses SFYTD 15 - \$1,087,860

19. PRIOR PERIOD ADJUSTMENTS - N/A

MERCY MARICOPA INTEGRATED CARE
STATEMENT OF CASH FLOWS
CONTRACT YEAR TO DATE AS OF:

December 31, 2015

| | |
|--|-------------------------|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES:</u> | |
| Changes in Net Assets | 6,623,091 |
| Adjustments to Reconcile Excess of Revenue Over/(Under) Expenses to Net Cash Provided (Used) by Operating Activities: | |
| Depreciation and Amortization | 192,270 |
| Bond Amortization | - |
| Non-cash provision for income taxes | - |
| Net Unrealized (gains) losses on investments | - |
| (Gain) loss on sale of investments | - |
| (Gain) loss on sale of assets | - |
| (Increases)/Decreases in Assets: | |
| Accounts Receivable | 12,407,549 |
| Notes Receivable | - |
| Prepaid Assets | (446,113) |
| Due from Affiliates, Net | (168,745) |
| Increases/(Decreases) in Liabilities: | |
| IBNR | 6,643,493 |
| RBUC | (1,574,226) |
| Accounts Payable to ADHS | 5,890,139 |
| Deferred Revenue | - |
| Accounts Payable and Other Accrued Liabilities | 8,598,718 |
| Due to District | - |
| Due to Affiliates, Net | - |
| Other Liabilities | 695,696 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <hr/> 38,861,872 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | |
| Proceeds from Sale of Property & Equipment | - |
| Purchases of Capitalized Software | - |
| Maturity of Investments | - |
| Purchase of Investments | - |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | <hr/> - |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES:</u> | |
| Contributions from Member Organizations | - |
| Dividends Paid | - |
| Issuance of Common Stock | - |
| Payment of Other Debts (Describe on Schedule A) | - |
| NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES | <hr/> - |
| NET INCREASE/(DECREASE) IN CASH | 38,861,872 |
| BEGINNING CASH | <hr/> 177,496,868 |
| ENDING CASH BALANCE * | <hr/> <hr/> 216,358,740 |

*NOTE: ENDING CASH BALANCE MUST AGREE WITH TOTAL CASH BALANCE ON BALANCE SHEET

MERCY MARICOPA INTEGRATED CARE

STATEMENT OF CASH FLOWS

CONTRACT YEAR TO DATE AS OF:

Schedule A Disclosure

December 31, 2015

Describe:

1. Sources and amounts of cash received for other grants.
2. Underlying transactions for acquisition of debt.
(Debtor, amount, purpose of loan, term, interest rate of debt acquired)
3. Underlying transactions for retirement of debt.
(Debtor, amount paid off.)
4. Cash Flows From Financing Activities - Payment of Other Debt
5. Supplemental data or non-cash investing and financing activities, gifts, etc.